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TENNESSEE REGULATORY AUTHORITY

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STATE OF TENNESSEE

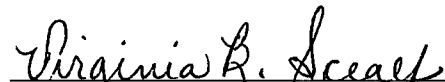
COUNTY OF HAMILTON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Monty L. Bishop, being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of Tennessee-American Water Company before the Tennessee Regulatory Authority, and if present before the Authority and duly sworn, his testimony would set forth in the annexed transcript consisting of 4 pages.

  
Monty L. Bishop

Sworn to and subscribed before me  
this 8th day of September 2004.

  
Virginia B. Scealf, Notary Public

My commission expires July 12, 2008.



**TENNESSEE-AMERICAN WATER COMPANY**  
**CASE NO. \_\_\_\_\_**

**Direct Testimony**  
**Monty L. Bishop**

**1. Q. WILL YOU PLEASE STATE YOUR NAME AND  
BUSINESS ADDRESS FOR THE RECORD?**

**A. My name is Monty L. Bishop and my business address is  
1101 Broad Street, Chattanooga, Tennessee 37402**

**2. Q. WHAT POSITION DO YOU HOLD WITH TENNESSEE-  
AMERICAN WATER COMPANY?**

**A. I am the Network Superintendent.**

**3 Q. HOW LONG HAVE YOU HELD THIS POSITION?**

**A. Since July 30, 2004.**

**4. Q. HAVE YOU PROVIDED INFORMATION ON YOUR  
EDUCATIONAL BACKGROUND, QUALIFICATIONS  
AND WORK EXPERIENCE?**

**A. Yes, attached to my testimony is Exhibit MLB-1, which sets  
forth my educational background, qualifications and work  
experience.**

**5. Q. WHAT ARE YOUR RESPONSIBILITIES AS NETWORK  
SUPERINTENDENT FOR TENNESSEE-AMERICAN  
WATER COMPANY?**

1           **A. I am responsible for managing the operations network of**  
2           **the Company. It is my responsibility to maintain standards**  
3           **of service and assure delivery of adequate quantities of**  
4           **approved quality water to all customers; to recommend the**  
5           **required number of employees, working conditions, rates of**  
6           **pay, and safety regulations. To assist with direction of**  
7           **construction, operation, maintenance and protection of all**  
8           **property, facilities and equipment required to maintain**  
9           **standards of continuity of service.**

10  
11       **6. Q. ARE THERE PROJECTS CONDUCTED BY**  
12       **MUNICIPALITIES, HIGHWAY DEPARTMENTS,**  
13       **CITIES OR OTHER ENTITIES WHICH REQUIRE**  
14       **FUNDING FOR REPLACEMENT OR RELOCATION OF**  
15       **EXISTING INFRASTRUCTURE?**

16       **A. Yes. There are now and have been for some time projects**  
17       **involving storm water and sewer enhancement/replacement,**  
18       **street rehabilitation including widening, sidewalks, curbs**  
19       **and gutters, paving, etc., Several are federally funded**  
20       **highway projects conducted by the Tennessee Department**  
21       **of Transportation (TDOT), which require the Company to**  
22       **relocate or move existing infrastructure within the public**  
23       **right of way, where in conflict with the projects. In attrition**  
24       **year 2005, some of these projects will be reimbursable due**  
25       **to changes in utilities relocations laws, however many**  
26       **projects may not be reimbursable as they do not meet the**  
27       **criteria set forth by the TDOT. If a TDOT project is**

1 conducted in conjunction with participating city or  
2 municipality, the joint participant must contribute  
3 matching funds to TDOT for utilities relocations, for those  
4 relocations to be covered. If they do not contribute  
5 matching funds for utilities relocations then company  
6 funding becomes necessary.

7 In addition to highway projects some of the cities we serve  
8 are undertaking street, sidewalk and sewer improvements  
9 which require funding for relocation or renewal of our  
10 infrastructure grid. As an example, we are currently  
11 spending approximately \$500,000 over a two year period for  
12 facilities improvements/relocations for the City of  
13 Chattanooga Riverfront Development project. Most of the  
14 areas under construction are currently served by existing  
15 facilities however due to the extensive nature of the  
16 construction many existing water mains require  
17 replacement. This particular project year will extend into  
18 attrition year 2005.

19  
20 **7. Q. WHAT MAJOR INVESTMENT PROJECTS HAVE BEEN**  
21 **INSTALLED SINCE THE LAST RATE CASE?**

22 **A. The Company has scheduled for completion in year 2004**  
23 **construction of (1) fire protection upgrades, (2) normal**  
24 **reoccurring construction programs for replacing aged**  
25 **mains, meters, services, and equipment, and (3) the starting**  
26 **phase of two major tank projects, the Hill City System**

1 elevated storage tank and the East Ridge System elevated  
2 storage tank.

3 **8. Q. WHAT MAJOR INVESTMENTS PROJECTS ARE**  
4 **PLANNED FOR ATTRITION YEAR 2005?**

5 **A. In addition to normal reoccurring expenses for Network**  
6 **Replacement and Renewal, New Services & Meters, Tools**  
7 **& Equipment, Vehicles and other miscellaneous items**  
8 **totaling \$4.9 million, specific projects include: (1)**  
9 **Completion of the Hill City System elevated storage tank**  
10 **costing \$1.6 million, (2) completion of the East Ridge**  
11 **System elevated storage tank costing \$1.47 million, (3)**  
12 **completion of the Walden's Ridge Utility District main**  
13 **extension costing \$2.14 million and (4) Business Process**  
14 **Efficiencies & ORCOM Software costing \$975,280 and (5)**  
15 **projected TDOT relocation expenses of \$200,000.**

16  
17 **9. Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 **A. Yes.**

## *Monty L. Bishop*

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### ***Education:***

**University of Tennessee – Chattanooga, Tennessee**  
Bachelor of Science in Engineering – 1977  
Engineering Management / Industrial Engineering

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### ***Work Experience:***

**Tennessee-American Water Company – Chattanooga, Tennessee**

Twenty-four years of experience in various departments and functional areas in the Chattanooga operation

Feb. 2002-  
Present

**Operations Manager/Network Superintendent**

As Operations Manager responsibilities included the day-to-day development, management, and operation of the plant and personnel of the Company engaged in the functional areas of production, treatment, service, regulatory compliance, engineering and construction of facilities. Responsible for establishment of programs to manage the efficient and reliable operations, maintenance, protection and appearance of the property and operating facilities. Planning and control of budget within established guidelines. Responsible for the safety and welfare of ninety employees under the operational function.

Jan. 1984 –  
Jan 2002

**Human Resources Manager, Employee Relations Manager:**

Responsibilities include overall administration for the implementation and coordination of the company's human resources policies and procedures assuring consistent interpretation and application of same. Oversight of employee benefits programs including group insurance, pension, ESOP and 401(k). Preparation of and direct responsibility for all phases of contract bargaining including language, wage information, research and development of Company position and strategies, etc. Other areas of responsibility include recruitment, interviewing, wage and salary administration, performance review process, arbitration, litigation and grievance process, training, EEO, Affirmative Action, budget within area of responsibility, etc. This position has two direct reports, Loss Control Specialist and Human Resource Specialist.

Oct. 1979 –  
Dec. 1984

**Loss Control Manager, Risk Manager, Risk & Materials Manager:**

Primary responsibility for the elimination or minimization of human injury, property and productivity losses, through the design of effective management policies, programs or practices. This staff position included direct hands-on involvement in all phases of risk management including training, loss prevention assessment, public liability, workers comp, employee/community right to know, hazardous waste & materials, security planning, and assurance of compliance with all federal, state and local regulations including OSHA, EPA, HAZMAT, SARA, DOT, NFPA, and Underground storage tank program. Additional

responsibilities included fleet administration including maintenance and procurement, and building and grounds maintenance.

Nov. 1977 –  
Sept. 1979

**Engineering Supervisor, Distribution Supervisor – Engineering:**

Responsible for engineering assignments and management of construction of new system facilities projects. Direct line authority over Engineering Department personnel and much of the work performed by the department. Areas of responsibility included budgetary control, construction investment forecasting, new construction field preparation & surveying. Other areas of responsibility were contract preparation including bidding, award, permitting, rights of way when required and materials ordering, and many other facets of the Engineering Department. Supervised engineering clerks, drafter, and new construction and cross-connection inspectors as needed.

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***Other Professional Affiliations***

American Water Works Association  
Society for Human Resources Management  
Chattanooga Human Resources Association  
Tennessee Department of Environment & Conversation – Grade II Distribution  
System Operator License  
Council for Accreditation in Occupational Hearing Conservation – Certified  
Hearing Conservationist  
American Society of Safety Engineers